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Message Text

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ACTION DOTE-00

INFO OCT-01 EUR-12 ISO-00 EB-07 IO-13 COME-00 TRSE-00
OES-06 CU-02 PRS-01 USIA-06 /048 W
----------122148Z 020776 /62
R 121708Z JAN 77
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 2104
INFO AMCONSUL CALGARY BY POUCH
AMCONSUL HALIFAX BY POUCH
AMCONSUL MONTREAL BY POUCH
AMCONSUL QUEBEC BY POUCH
AMCONSUL TORONTO BY POUCH
AMCONSUL VANCOUVER BY POUCH
AMCONSUL WINNIPEG BY POUCH

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PASS TREASURY FOR IRS

E.O. 11652: N/A
TAGS: ELTN, BDIS, CA
SUBJECT: PARTICIPATION OF CANADIAN PROVINCES IN DEMONSTRATION OF INTERNATIONAL REGISTRATION INFORMATION SYSTEM (IRIS)

REF: 76 STATE 313907; 76 STATE 310389

1. BEGIN SUMMARY: PRELIMINARY MOT REACTION TO PROPOSED FHWA APPROACHES TO PROVINCES QUITE POSITIVE BUT FEDERAL/PROVINCIAL RELATIONS IN MOTOR CARRIER SECTOR ARE POTENTIALLY SENSITIVE AND FHWA SHOULD NOT REPEAT NOT PROCEED UNTIL EMBASSY OBTAINS MORE DEFINITIVE GOC RESPONSE. GOC OFFICIAL HAS RAISED QUESTION ABOUT FHWA'S AUTHORITY TO FUND DEMONSTRATION PROJECT OUTSIDE U.S. CANADIAN TRUCKING INDUSTRY'S CONCERN ABOUT U.S. FEDERAL HIGHWAY USERS TAX MAY TRIGGER INDUSTRY OPPOSITION TO PROVINCIAL PARTICIPATION. END SUMMARY.
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2. ON JANUARY 7, TCO DISCUSSED PROPOSED PROVINCIAL PARTICIPATION IN DEMONSTRATION PROJECT WITH DIRECTOR GENERAL D.R. STEPHENS (HIGHWAY TRANSPORTATION DIRECTORATE, CANADIAN SURFACE TRANSPORTATION ADMINISTRATION) AND HIS DEPUTY, T. DUNCAN ELLISON (CHIEF OF MOTOR CARRIER DIVISION). STEPHEN'S INITIAL REACTION WAS IT WOULD PROBABLY BE ALRIGHT

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FOR FHWA TO DEAL DIRECTLY WITH PROVINCES IN IRIS DEMONSTRATION PROJECT. HOWEVER, HE WOULD HAVE TO CHECK FURTHER BEFORE GIVING A CATEGORICAL REPLY AND HE AGREED TO DO THIS PROMPTLY. BOTH HE AND ELLISON INDICATED THEY WOULD LIKE TO HAVE MORE INFORMATION ABOUT INTERNATIONAL REGISTRATION PLAN, INTERNATIONAL TRUCK PERMIT CENTER, AND INTERNATIONAL REGISTRATION INFORMATION SYSTEM. (TCO PROMISED TO MAKE AVAILABLE PAMPHLETS FHWA IS SENDING EMBASSY).

3. DURING CONVERSATION, THESE OFFICIALS NOTED: (A) THEY WERE AWARE THAT ALBERTA HAD ADHERED TO IRP; (B) BRITISH COLUMBIA HAD DECIDED ABOUT TWO YEARS AGO TO JOIN BUT HAD NOT YET DONE SO--PERHAPS BECAUSE OF CHANGE IN GOVERNMENT LAST YEAR; AND (C) THEY WERE NOT CERTAIN OF LIKELY INTEREST OF OTHER CANADIAN PROVINCES IN VIEW OF POSSIBLE ADVERSE US TAX CONSEQUENCES FOR THEIR TRUCKERS. THEY QUESTIONED THE VALUE OF IRP TO PROVINCES NOT GEOGRAPHICALLY CONTIGUOUS TO OTHER JURISDICTIONS AND NOTED THAT IRP PRESENTLY SEEMED TO BE ESSENTIALLY A WESTERN STATES ORGANIZATION.

4. ELLISON SUGGESTED NEED TO CLARIFY FHWA AUTHORITY UNDER US LAW TO FUND DEMONSTRATION PROJECTS OUTSIDE THE UNITED STATES. HE RECALLED THAT A FEW YEARS AGO WHEN UN COMMITTEE ON TRANSPORT OF DANGEROUS GOODS WAS UNABLE TO FUND SERVICES OF A NECESSARY CONSULTANT, DOT'S OFFICE OF HAZARDOUS MATERIALS AT FIRST OFFERED TO PICK UP THE TAB FOR THE CONTRACT, BUT HAD TO BACK OFF BECAUSE OF LEGISLATIVE RESTRICTIONS AGAINST SPENDING FUNDS FOR CONTRACTING OUTSIDE THE UNITED STATES.

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5. ALTHOUGH INITIAL MOT REACTION TO FHWA-PROVINCIAL CONTACTS WAS QUITE POSITIVE, EMBASSY CAUTIONS THAT, IN PAST, GOC HAS GENERALLY BEEN LESS THAN ENTHUSIASTIC ABOUT DIRECT RELATIONS BETWEEN U.S. AUTHORITIES (ESPECIALLY U.S. FEDERAL AUTHORITIES) AND PROVINCIAL GOVERNMENTS AND MOTOR CARRIER SECTOR IS POTENTIALLY ONE OF SENSITIVE AREAS. (GOC HAS RECENTLY BEEN ATTEMPTING TO ASSERT FEDERAL INTEREST AND RESPONSIBILITY WITH RESPECT TO INTER-PROVINCIAL AND INTERNATIONAL TRUCKING, A FIELD HISTORICALLY REGULATED BY PROVINCES, AND IS ARRANGING FEDERAL-PROVINCIAL MINISTERIAL CONFERENCE ON SUBJECT IN FEBRUARY). FHWA SHOULD NOT REPEAT NOT INITIATE CONTACTS WITH PROVINCES UNTIL EMBASSY HAS OBTAINED MORE DEFINITIVE GOC RESPONSE.

6. WITH RESPECT TO THE TAX QUESTION MENTIONED BY MOT OFFICIALS, RECENT CONVERSATIONS OF TCO WITH CANADIAN TRUCKING ASSOCIATION (CTA) EXECUTIVE DIRECTOR MACLAREN HAVE INDICATED THAT THE INDUSTRY IS BECOMING INCREASINGLY UPSET BY THE IMPOSITION OF THE U.S. FEDERAL HIGHWAY USERS TAX, COLLECTION OF WHICH HAS BEEN FACILITATED RECENTLY BY RECIPROCITY ARRANGEMENTS AND COMPUTER

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PRINTOUTS OF VEHICLES LIABLE TO THE TAX. MACLAREN MAINTAINS
THIS TAX WORKS A PARTICULAR HARDSHIP ON A LARGE NUMBER OF
CANADIAN IRREGULAR ROUTE CARRIERS AND SMALL ROUTE OPERATORS
WHO CARRY LIMITED TRAFFIC, FREQUENTLY ON AN OCCASIONAL BASIS,
INTO ADJACENT U.S. STATES. THE TAX LIABILITY MAY BE DIS-
PROPORTIONATE TO THE REVENUES EARNED ON SUCH MOVEMENTS. MACLAREN
INDICATED THE SITUATION IS PARTICULARLY CRITICAL IN ALBERTA
WHERE THE LOCAL TRUCKING ASSOCIATION SEES THE IRP RECIPROCITY
ARRANGEMENTS AS ESPECIALLY DETRIMENTAL TO ITS INTERESTS AND IS
ABOUT TO PRESS THE PROVINCIAL GOVERNMENT TO WITHDRAW FROM THE
SYSTEM. CTA IS ALSO DOCUMENTING PROBLEMS POSED BY THE TAX WITH
A VIEW TO GETTING CANADIAN FINANCE DEPARTMENT TO RAISE ISSUE
WITH IRS.

7. FOR CALGARY: IT WOULD BE APPRECIATED IF YOU COULD ASSESS
GOA AND INDUSTRY FEELINGS ABOUT IRP.

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8. FOR VANCOUVER: PLEASE REPORT ON GBC PLANS, IF ANY, TO
ADHERE TO IRP.
ENDERS

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Message Attributes

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Sent Date: 12-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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